



## TITLE INSURANCE – TIPS FOR CONSUMERS

Title insurance protects against losses arising from unknown or undisclosed defects in the past chain of title. A defect on the title is generally referred to as a “cloud” on title.

Unlike other property & casualty lines of business (auto, home, etc.) title insurance insures against past events, not future events. In exchange for a one time paid premium, a title insurance policy generally protects the lender against losses suffered if title to the property is defective.

Although borrowers usually must purchase title insurance when they borrow money for a mortgage; this policy protects the lender not the borrower. Borrowers may also receive offers around the time of closing the mortgage to purchase, for a separate premium, title insurance that protects the borrower.

The following consumer tips about title insurance may be useful for those who are preparing to sell, buy, or refinance property.

- The premium rates charged by a title company must be filed with the Insurance Department. These rates are available for public inspection at the Department.
- Lenders typically require borrowers to pay for a title insurance policy that protects the lender when they provide a loan. The lender’s instructions and requirements must be met before they will fund a loan. The lender typically dictates the extent of coverage that is provided in the lender’s title insurance policy. The borrower pays the premium on behalf of the lender as a condition of the loan, but is generally not the insured party under the policy.
- If you paid for the policy that insures your lender, and you are not the named insured we will not be able to assist you because you do not own the policy.

*Complaints against title insurers and title agencies may be submitted to the New Hampshire Insurance Department at 21 South Fruit Street, Suite 14, Concord NH 03301, or via our web site at [www.nh.gov/insurance](http://www.nh.gov/insurance). Questions can be directed to our Consumer Services Division at 1-800-852-3416.*